

1 SENATE JOINT RESOLUTION 7

2 **45TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2002**

3 INTRODUCED BY

4 Mary Jane Garcia

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8 FOR THE TOBACCO SETTLEMENT REVENUE OVERSIGHT COMMITTEE

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10 A JOINT RESOLUTION

11 PROPOSING AN AMENDMENT TO ARTICLE 8 OF THE CONSTITUTION OF NEW
12 MEXICO TO ESTABLISH A MASTER SETTLEMENT PERMANENT FUND AND A
13 MASTER SETTLEMENT PROGRAM FUND CONSISTING OF MONEY DISTRIBUTED
14 TO THE STATE PURSUANT TO THE MASTER SETTLEMENT AGREEMENT WITH
15 TOBACCO PRODUCT MANUFACTURERS.

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17 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

18 Section 1. It is proposed to amend Article 8 of the
19 constitution of New Mexico by adding a new Section 16 to read:

20 "A. The "master settlement permanent fund" is
21 created in the state treasury. The fund shall consist of
22 money received by the state pursuant to the master settlement
23 agreement entered into between tobacco product manufacturers
24 and various states, including New Mexico, and executed
25 November 23, 1998 or money released to the state from a
qualified escrow fund or otherwise paid to the state pursuant
to the master settlement agreement. Money in the fund shall
be invested by the state investment officer as land grant
permanent funds are invested. Income from investment of the

.140075.1

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1 fund shall be credited to the fund. Money in the fund shall
2 not be expended for any purpose, but an annual distribution
3 shall be made to the master settlement program fund in
4 accordance with Subsection C of this section.

5 B. The "master settlement program fund" is created
6 in the state treasury and shall consist of distributions made
7 to the fund from the master settlement permanent fund. Income
8 from investment of the master settlement program fund shall be
9 credited to the fund. Distributions from the master
10 settlement program fund shall be appropriated as provided by
11 law.

12 C. On July 1 of each fiscal year, an annual
13 distribution shall be made from the master settlement
14 permanent fund to the master settlement program fund of an
15 amount equal to fifty percent of the total amount of money
16 paid into the master settlement permanent fund from the master
17 settlement agreement in the immediately preceding fiscal year
18 until that amount is less than an amount equal to a specified
19 percent of the average of the year-end market values of the
20 master settlement permanent fund for the immediately preceding
21 five calendar years. Thereafter, the amount of the annual
22 distribution shall be a specified percent of the average of
23 the year-end market values of the master settlement permanent
24 fund for the immediately preceding five calendar years. For
25 purposes of this section, the specified percent used shall be
the same percent used to calculate the distribution from the
land grant permanent fund.

D. Money credited to the tobacco settlement
permanent fund and the tobacco settlement program fund at the

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1 time of the adoption of this amendment shall be credited to
2 and become a part of the permanent trust fund known as the
3 "master settlement permanent fund" and the "master settlement
4 program fund" hereby created."

5 Section 2. The amendment proposed by this resolution
6 shall be submitted to the people for their approval or
7 rejection at the next general election or at any special
8 election prior to that date that may be called for that
9 purpose.

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